

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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Application of Pacific Gas and Electric
Company for Approval of 2013-2014
Statewide Marketing, Education and
Outreach Program and Budget. (U39M)

And Related Matters.

Application 12-08-007
(Filed August 2, 2012)

Application 12-08-008
Application 12-08-009
Application 12-08-010

**COMMENTS
OF THE OFFICE OF RATEPAYER ADVOCATES
ON ASSIGNED COMMISSIONER'S RULING REGARDING
WINTERTIME MARKETING**

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October 14, 2016

I. INTRODUCTION

The Office of Ratepayer Advocates (“ORA”) respectfully submits these comments pursuant to the Assigned Commissioner’s Ruling (“Ruling”) issued on September 28, 2016.¹ Decision (“D.”) 16-04-039 authorized SoCalGas to provide up to \$11 million in funding to be spent in 2016 for customer awareness to help reduce consumption and avoid reliability events related to the injection moratorium at the Aliso Canyon natural gas storage facility. The Ruling seeks party comment on whether to provide additional funding for Aliso Canyon-related messaging to help avoid cold weather reliability issues. The Ruling also directs parties to file comments addressing four questions related to the proposed funding. Comments are due on October 14, 2016; thus, this filing is timely.

In the discussion below, ORA responds to the questions in the Ruling and makes the following recommendations:

- The Commission should direct SoCalGas to undertake additional Marketing, Education & Engagement spending to ensure wintertime reliability in the areas affected by the Aliso Canyon injection moratorium;
- ORA has no comment on the proposed budget for wintertime messaging, but will provide analysis as to the correct amount to be allocated once SoCalGas has provided detailed and up-to-date information on how the \$11 million allocated for Summertime Reliability has been spent and how the remaining portions will be spent;
- All spending on wintertime messaging should be tracked in the Aliso Canyon Revenue and Cost Memorandum Account (“ACRCMA”).

¹ *Ruling of Assigned Commissioner*, filed September 28, 2016.

II. DISCUSSION

A. **The Commission should direct SoCalGas to undertake Aliso Canyon related messaging through the 2017 cold period.**

According to *The Aliso Canyon Gas and Electric Reliability Winter Action Plan* (*hereafter* Winter Action Plan),² there is a risk of natural gas shortages and even curtailment during any prolonged cold period in Southern California this winter.³ In the scenarios studied in the Winter Action Plan, the reliability risks would be somewhat reduced should SoCalGas resume injections of gas into the Aliso Canyon Storage Facility in September or October of 2016. Given that injections at the facility have not yet resumed, cold weather messaging to encourage consumers to reduce their gas use is prudent. Such messaging provides an opportunity for SoCalGas to reach out directly to customers and encourage greater energy management and reductions through targeted marketing and outreach in the affected communities.

Currently, SoCalGas has not provided information regarding the effectiveness of the summertime messaging activities to reduce energy usage, as authorized in D.16-04-039. Question 2 of the Ruling requests SoCalGas to provide information on how it spent the money authorized in D.16-04-039. ORA therefore may provide comments on the budget in Reply Comments once ORA is able to perform an analysis of past marketing and outreach efforts.

B. **Any spending by SoCalGas for winter reliability messaging should be tracked in the memorandum account ordered in D.16-03-031 and established in AL-4940.**

D.16-03-031 required all spending by SoCalGas related to Aliso Canyon be tracked in a memorandum account until responsibility for the gas leak that led to closure of the storage facility has been determined. Since wintertime marketing expenses would

² Report prepared by CPUC Energy Division, the California Energy Commission, the CAISO, and the Los Angeles Department of Water and Power.

³ [Winter Action Plan](#), pp. 13-17

be incurred as a direct result of suspending gas storage operations at Aliso Canyon, the additional spending contemplated in this ruling should be tracked in SoCalGas' Aliso Canyon Revenue and Cost Memorandum Account, consistent with the accounting treatment established in Advice Letter ("AL") 4940.

III. ANSWERS TO QUESTIONS IN THE ASSIGNED COMMISSIONER'S RULING

- 1. Should the Commission direct SoCalGas to provide additional funding for 2016-2017 cold weather messaging as part of the targeted marketing, education and encouragement campaign approved in D.16-04-039 in order to encourage customer response to anticipated supply shortages during the Aliso Canyon injection moratorium?**

ORA supports the allocation of additional funding for 2016-2017 cold weather messaging. The analysis reported in the joint agency Winter Action Plan details that gas shortages in the event of a prolonged cold snap are more likely should gas injections into Aliso Canyon be delayed past September or October.⁴ As ORA commented in response to the March 15, 2016 Assigned Commissioner Ruling,⁵ a marketing effort encouraging simple conservation and efficiency actions that customers can take on their own could be a cost-effective way of reducing the risk of gas curtailment. ORA will use SoCalGas' report on summer spending to evaluate the effectiveness of the marketing and outreach strategies.

⁴ [Winter Action Plan](#), p. 15.

⁵ Comments of the Office of Ratepayer Advocates on Assigned Commission ruling regarding Aliso Canyon Marketing, Education and Outreach Funding, p. 2.

2. If new funding is provided, is \$6 million an appropriate amount? Why or why not?

ORA defers comment on this question once SoCalGas has provided this information in comments as directed in the Ruling.

3. Should paid FlexAlert messaging in Southern California be funded during the winter season?

Should the Commission decide to authorize further FlexAlert spending for the winter season, this spending should be tracked in the ACRCMA⁶ so that ratepayers are not forced to pay for this activity if the Commission finds that SoCalGas shareholders are responsible for funding Aliso Canyon-related safety and reliability activities.

4. If there is a need for additional funding for marketing, education and engagement and/or FlexAlert messaging for the remainder of 2017, following the winter season? If so, what should this entail?

ORA recommends the Commission defer consideration of additional funding for marketing education and engagement and/or Flex Alert messaging until the Spring of 2017. By that time, new analysis of the situation should be available and more permanent fixes to the potential gas shortages caused by the moratorium on injection may be in place. Currently, that question is premature.

IV. CONCLUSION

ORA appreciates the opportunity to file comments in this matter and recommends that the Commission adopt its recommendations herein.

⁶ ACRCMA is the Aliso Canyon Revenue and Cost Memorandum Account, which was ordered in D.16-03-031 and created by advice letter AL- 4940-G-A.

Respectfully submitted,

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